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THE WHITE HOUSE WASHINGTON



November 3, 1978

Presidential Directive/NSC- 43

TO:

The Vice President

The Secretary of State The Secretary of Defense

The Secretary of the Interior The Secretary of Agriculture The Secretary of Commerce

The Secretary of Health, Education, and Welfare

The Secretary of Energy

The Director, Office of Management and Budget

The Chairman, Joint Chiefs of Staff The Director of Central Intelligence

The Administrator, National Aeronautics and Space Administration

The Director, Office of Science and Technology Policy

The Director, National Science Foundation

SUBJECT:

US-China Scientific and Technological Relationships (U)

This directive establishes policy guidance for developing civilian S&T relationships with the People's Republic of China based on Presidential review of policy issues submitted by the Policy Review Committee (China S&T). (C)

Policy Guidelines

- 1. Coordination. During the initial period of S&T cooperation with China, all activities will be reviewed by the Department of State, the Department of Defense, the Office of Management and Budget, and other pertinent agencies through the existing Policy Review Committee (China S&T). (U)
- 2. Program Design. In developing programs emphasis will be placed on topics which are less sensitive from the standpoint of technology transfer and foreign policy. In addition, relationships with long-term implications are encouraged; for example, in education, space cooperation, and energy development. (C)
- 3. Export Controls. Issues will be reviewed through the interagency process. Special care will be exercised in relationships with Peking, sothat Chinese expectations are not raised for equipment and technologies which we would not be willing to supply. (S)

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- 4. Reciprocity. Agencies should seek all reasonable benefits to the US within each program. Our aim should be to achieve a mutually beneficial program. (U)
- 5. <u>Budgeting</u>. The PRC has agreed to pay for all resources and benefits to them. We will pay for activities which we initiate for our benefit. Agencies will carry out agreed programs within approved FY 1979 and FY 1980 budget and personnel ceilings. Proposed activities which would result in additional resource requirements in FY 1981 or beyond will be cleared through OMB before any commitments are made to the PRC. (U)

With regard to agency programs for exchange of personnel, visiting scholars, etc., the PRC is expected to pay for all travel, food, and lodging associated with its participants in the US. The PRC will also reimburse agencies for direct costs and indirect costs associated with their residence in the US when the benefits accrue primarily to the PRC, to the extent that these costs are identifiable and that foreign policy objectives allow. The US or the sponsoring US private organization would pay for the costs of American participants in reciprocal programs in the PRC. (C)

S&T Program Plan

The following plan for evolving programs is approved:

- 1. Energy. The US should offer assistance and training for PRC development of energy resources (including coal, oil, and gas), electric power generation (hydroelectric, geothermal, and nuclear), as well as programs for cooperation in the high energy physics area. (C)
- 2. Education. The US should by fall 1979 receive up to 700 Chinese students, researchers, and visiting scholars and send 100 or more American students and scholars to China for study and research in all fields. Each side will use its best efforts to accommodate the other's interest, and the two sides will meet periodically for program evaluation. (U)
- 3. Space. The US can offer to assist in PRC purchase of and provide reimbursable launch services for a geosynchronous telecommunications satellite. Technology transfer and COCOM problems should be minimized by offering a relatively low-capacity satellite. Also the US can offer to provide, on a reimbursable basis, a LANDSAT ground station and LANDSAT data use and training. (S)
- 4. Agriculture. We should seek a broadly cooperative relationship in agriculture. In particular, germ plasm exchange and cooperation in biological control of insects will be developed. (U)



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- 5. Medicine and Public Health. Programs should be developed in the fields of research in cancer, infectious and parasitic diseases, medical information, and recombinant DNA. (U)
- 6. Geosciences. Detailed discussions will be initiated regarding training and joint study in the natural resources area. (U)
- 7. Commerce. Proposals for further detailed disucssions will be submitted to the PRC. Topics include metrology, oceanology, meteorology, fishery research and management, data center management and data interchange, patents, and S&T information. (U)

Zbigniew Brzezinski